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O R 111050Z DEC 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 1022

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMEMBASSY JAKARTA

AMCONSUL NHA TRANG

AMEMBASSY PARIS

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

USDEL JEC PARIS UNN

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA/ATCS-WL-DSA

CINCPAC

CINCPACAF

CINCPACFLT

CINCUSARPAC

DEPCHIEF JUSMAAG UDORN

USDAO/SAIGON

AMEMBASSY LONDON

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY COTONOU

AMEMBASSY MANILA

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AMEMBASSY PHNOM PENH

AMEMBASSY STOCKHOLM
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AMEMBASSY WELLINGTON

C O N F I D E N T I A L SECTION 1 OF 3 SAIGON 15335

CINCPAC FOR POLAD

E.O. 11652: GDS
TAGS: PINT PFOR ECON VS
SUBJ: EMBASSY SAIGON'S MISSION WEEKLY FOR
DECEMBER 5 - 11, 1974

WEEKA ITEMS

THE CEASEFIRE

PACM AND THE MILITANT LAWYERS

LOWER HOUSE

PRESS ACTIVITIES

NUNS STAGE A SIT IN

PROVINCIAL MUNICIPAL COUNCILLORS PROTEST GROUP FORMED

STUDENT FRINGE GROUPS PRESENT MANIFESTO

FONMIN REVIEWS RVN FON POLICY

CAR FONMIN BEGINS VISIT

FRENCH AID AGREEMENT

FRENCH FINANCING FOR HA TIEN CEMENT EXPANSION

ANNOUNCEMENT OF ECONOMIC MEASURES POSTPONED

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MINOR EXCHANGE RATE ADJUSTMENT

DOMESTIC TAXES DOWN IN NOVEMBER

RETAIL PRICE INDEX EDGING UPWARD

DOLLAR GAINS AS GOLD WEAKENS

I. INTERNAL

A. THE CEASEFIRE

THERE WAS A QUANTUM JUMP IN FIGHTING THIS WEEK, RESULTING IN THE HIGHEST INCIDENT LEVEL OF THE YEAR COUNTRYWIDE. THE LARGE INCREASE WAS CENTERED IN MR-4, WHICH REGISTERED ITS HIGHEST INCIDENT LEVEL SINCE THE CEASEFIRE AND A JUMP OF MORE THAN 450 PERCENT OVER LAST WEEK, AND IN MR-3, UP OVER 275 PERCENT FROM A WEEK AGO. AS A FUNCTION OF THE HEAVIER FIGHTING, GVN CASUALTIES MORE THAN DOUBLED, AND NVA/VC KILLED ALMOST QUADRUPLED. IT IS WORTH NOTING THAT OUR REPORTS FROM THE DELTA INDICATE THAT GVN FORCES HAVE CONDUCTED THEMSELVES MORE EFFICIENTLY IN THE FACE OF THIS HIGHEST LEVEL OF ACTIVITY THIS YEAR THAN WHEN COPING WITH THE HIGH LEVEL OF ACTIVITY LAST JULY DURING THE NVA/VC SUMMER OFFENSIVE. FIGHTING REMAINED AT A MODERATE PACE IN MR-1, BUT THE INTENSITY WAS HIGHER IN MR-2.

B. PACM AND THE MILITANT LAWYERS

PACM AND THE SAIGON MILITANT LAWYERS ARE IN A QUIET PHASE FOLLOWING THEIR LARGELY FRUSTRATED NOV 28 EXERTIONS ON THE STREETS OF SAIGON. PACM LEADER FR TRAN HUU THANH SPOKE SUNDAY, DEC 8, IN A CATHOLIC VILLAGE IN THE DELTA ABOUT 30 KMS SOUTH OF CAN THO TO A REPORTED CROWD OF 5,000. A SOURCE CLOSE TO FR THANH SAID THAT HE WILL MEET DEC 12 WITH LEADERS OF THE MILITANT LAWYERS AND OTHERS TO DECIDE ON CHOICES FOR THE POST-THIEU GOVT HE HOPES WILL MATERIALIZE. THE POPULAR REVOLUTIONARY FRONT, APPARENTLY INITIATED BY FR THANH AS A VEHICLE FOR UNITING THE MAIN RELIGIOUS GROUPS, DOES NOT SEEM TO HAVE ATTRACTED ANY MORE PARTICIPATION THAN IT CLAIMED AT ITS FOUNDING DEC 4: BESIDES FR THANH HIMSELF, ITS LEADERSHIP GROUP COMPRISES CAO DAI, HOA HAO

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AND AN QUANG SECOND STRINGERS. VENERABLE TRI QUANG, WHOSE SUPPORT WOULD MEAN A QUANTUM JUMP IN THE FRONT'S IMPORTANCE, HAS REPORTEDLY SAID THAT HE WILL NOT PARTICIPATE UNTIL FR THANH HAS A GOOD DEAL MORE SUPPORT FROM THE CATHOLICS.

THE MILITANT LAWYERS ARE SEEMINGLY PURSUING THE GOAL OF MAINTAINING STEADY PUBLIC PRESSURE ON THE THIEU GOVT. THE SAIGON BAR ASSOC, WHICH HAS BECOME INCREASINGLY ACTIVE OVER RECENT WEEKS AND TO WHICH ALL OF THE SAIGON MILITANT LAWYERS BELONG, IS BRINGING A LEGAL ACTION AGAINST POLICEMENT WHO WERE ALLEGEDLY RESPONSIBLE FOR MINOR INJURIES SUSTAINED BY THREE DEMONSTRATING LAWYERS NOV 28. ONE OF THE INJURED LAWYERS TOLD US HE DISAGREES WITH THIS MANEUVER. HE SAID HE WANTS RATHER TO BRING SOME KIND OF PUBLIC ACCUSATION AGAINST HIGHER AUTHORITIES, THE POLICEMENT HAVING ONLY DONE THEIR JOBS AS ORDERED. MEANWHILE

THE HUE BAR ASSOC ENDED ITS MONTH LONG PROTEST STRIKE
DEC 4 AND MEMBERS HAVE GONE BACK TO THE BUSINESS OF DEFENDING
CLIENTS. CONGEN DANANG REPORTS THAT ACCORDING TO ONE SOURCE
MANY BAR ASSOC MEMBERS WERE UNHAPPY WITH THE DECISION TO
STOP WORK, BUT DID NOT DARE DISOBEY IT.

C. LOWER HOUSE

IN A LARGELY UNEVENTFUL WEEK DEPUTIES TRANSACTED LEGISLATIVE
BUSINESS THAT INCLUDED RATIFICATION OF A LONG TERM 8,250
BILLION YEN LOAN AGREEMENT SIGNED EARLIER BY THE GVN AND JAPAN.
COMITE CONSIDERATION IS ALSO BEING GIVEN TO A POSSIBLE INCOME
TAX BREAK FOR LOWER BRACKETS HARDEST HIT BY INFLATION. ON THE LESS
POSITIVE SIDE, A NUMBER OF OPPOSITION DEPUTIES REFUSED TO MEET
WITH NEWLY APPOINTED DEP PRIMIN NGUYEN VAN HAO ON THE STATE OF
THE ECONOMY.

D. PRESS ACTIVITIES

WITH THE FURTHER POSTPONEMENT UNTIL FEB 20 OF THE TRIAL
OF THE 3 NEWSPAPERS WHICH PUBLISHED THE SO CALLED INDICTMENT
NO. 1, PRESS AGITATION HAS GENERALLY SUBSIDED. SONG THAN, ONE
OF THE PAPERS CHARGED, S BACK ON THE STREETS AGAIN AFTER CLOSING
SHOP LAST MONTH CLAIMING THAT RECENT CONFISCATIONS HAD EXHAUSTED
ITS FINANCIAL RESOURCES.

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CIA
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JCS
JUSMAAG
WHITE HOUSE
USAJFKCMA/ATCS-WL-DSA
CINCPAC
CINCPACAF
CINCPACFLT
CINCUSARPAC
DEPCHIEF JUSMAAG UDORN
USDAO/SAIGON
AMEMBASSY LONDON
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AMEMBASSY CANBERRA
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C O N F I D E N T I A L SECTION 2 OF 3 SAIGON 15335

CINCPAC FOR POLAD

A FAIRLY AMBIGUOUS CITATION ISSUED BY FREEDOM HOUSE IN NEW YORK LAST MONTH RECOGNIZING "THE RESPONSIBLE JOURNALISTS OF SOUTH VIETNAM...FOR STRIVING TO FULFILL THE HIGHEST STANDARDS OF A FREE PRESS, WHILE DEPLOYING NECESSARY RESTRAINT IN A CLIMATE OF UNREMITTING WARFARE" RECEIVED CONSIDERABLE PRESS COVERAGE. ON DEC 5 THREE JOURNALIST ASSOCIATIONS JOINTLY RESPONDED TO FREEDOM HOUSE WITH THANKS FOR ITS EXPRESSION OF MORAL SUPPORT, AND SAYING THAT US NEWSMEN IN THE WATERGATE CASE HAVE SET AN EXAMPLE FOR VIETNAMESE JOURNALISTS TO FOLLOW IN THEIR STRUGGLE FOR FREEDOM OF THE PRESS. THE SAME DAY THEY ISSUED A JOINT STATEMENT IN SUPPORT OF THE NEWSPAPER PUBLISHERS' EARLIER DEMANDS FOR A COMPLETE ABOLITION OF ALL PRESS RESTRICTIONS.

E. NUNS STATE A SIT-IN

ON DEC 8 A SCORE OF MENDICANT BUDDHIST NUNS, REPORTEDLY ACCOMPANIED BY THREE OPPOSITIONIST LOWER HOUSE DEPUTIES, STAGED A CAREFULLY REHEARSED SIT-IN AT A DOWNTOWN MARKET AND LATER IN FRONT OF A CORDONED OFF NATIONAL ASSEMBLY BUILDING. SITTING DRAMATICALLY ALONGSIDE JERRY CANS, THEY POSED FOR PICTURES WHILE CARRYING CAREFULLY LETTERED SIGNS THREATENING A HUNGER STRIKE AND A POSSIBLE SELF-IMMOLATION IF THEIR DEMANDS -- REMOVAL OF THE POLICE CORDONS SURROUNDING THEIR MAIN PRAYER HOUSE AND THE HOME OF RADICAL ALLY MME NGO BA THANH -- WERE NOT MET. THIS MINI-DEMONSTRATION ATTRACTED LITTLE ATTENTION EXCEPT IN PRESS AND DISSOLVED WITHOUT INCIDENT AFTER A LOCAL OFFICIAL CAME AT NOON TO RECEIVE THEIR PETITION.

F. PROVINCIAL/MUNICIPAL COUNCILLORS PROTEST GROUP FORMED

A GROUP OF SAIGON MUNICIPAL MEMBERS HELD A PRESS
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CONFERENCE DEC 2 AT WHICH THEY ANNOUNCED THE FORMATION OF A "STRUGGLE COMMITTEE FOR COUNCILLORS' RIGHTS AND RESPONSIBILITIES". ACCORDING TO THEIR SPOKESMAN, COUNCILLOR HUYNH VAN DUOI, PRIME MINISTERIAL DECREE 125/NV OF JUNE 6, 1974 UNDULY RESTRICTS THE POWERS OF THE COUNCILS, IS UNCONSTITUTIONAL AND SHOULD BE ABOLISHED.

DECREE 125 AMENDS PRIOR LEGISLATION COVERING PROVINCIAL AND MUNICIPAL COUNCILS AND PROVIDES FOR THE SUSPENSION FROM OFFICE BY THE PRESIDENT OR THE PRIME MINISTER OF COUNCILLORS WHO ARE FOUND DISQUALIFIED FOR VARIOUS OFFENSES RANGING FROM ABSENTEEISM TO VIOLATIONS OF THE CRIMINAL CODE. DECREE 125 INCLUDES ANOTHER NEW PROVISION EXPLICITING DELINEATING AREAS IN WHICH COUNCILS HAVE THE RIGHT TO MAKE DECISIONS.

THE HEAD OF THE SAIGON COUNCIL, LAWYER VO QUOC THANH, SENT TELEGRAMS TO ALL PROVINCIAL COUNCILS THROUGHOUT THE COUNTRY ASKING FOR SUPPORT IN THE DRIVE TO ABOLISH THE DECREE LAW. FOLLOWING HIS APPEAL, A MEETING WAS HELD IN SAIGON ON DEC 9 AT WHICH 47 COUNCILLORS, REPRESENTING 30 PROVINCES AND CITIES, WERE PRESENT. THANH CLAIMS THAT DECREE 125 HAS STRIPPED COUNCILLORS OF SUCH BASIC RIGHTS AS PHYSICAL SECURITY, CONSULTATION AND DECISION MAKING. THANH ALSO SERVES AS HEAD OF THE PROVINCIAL COUNCILLORS LIAISON OFFICE WITH THE MINISTRY OF THE INTERIOR. ACCORDING TO PRESS REPORTS, THE GOVERNMENT HAS SO FAR REFUSED TO RECOGNIZE THE LIAISON OFFICE AND HAS CAUTIONED COUNCILLORS THAT MEETING OUTSIDE THEIR CONSTITUENCIES IS "ILLEGITIMATE".

INTERIOR MINISTER LE CONG CHAT HAS REPORTEDLY REPLIED TO THE COUNCILLORS' CHARGES BY STATING THAT, IN ACCORDANCE

WITH CONSTITUTIONAL PROVISIONS, MUNICIPAL AND PROVINCIAL COUNCILS ARE PURELY ADMINISTRATIVE, DELIBERATIVE BODIES. HE ALSO STATED THAT ANY IRREGULAR SESSIONS MUST BE AUTHORIZED BY THE PRIME MINISTER.

II. EXTERNAL

A. FOREIGN MINISTER REVIEWS RVN FOREIGN POLICY.

IN A LECTURE TO STUDENTS AND FACULTY OF NATIONAL INSTITUTE OF
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ADMINISTRATION DEC 7 FOREIGN MINISTER VUONG VAN BAC STRESSED THAT "THE FOREIGN POLICY OF THE RVN IS IN TOTAL CONFORMITY WITH THE PARIS AGREEMENT OF JAN 27, 1973" AND "IS A POLICY ORIENTED TOWARD PEACE, INDEPENDENCE AND THE REUNIFICATION OF THE COUNTRY". MINISTER NOTED IT WAS ONLY BECAUSE COMMUNIST SIDE DID NOT WANT TO SERIOUSLY IMPLEMENT PARIS AGREEMENT THAT RVN WAS OBLIGED TO STRUGGLE TO OBLIGE THEM TO OBSERVE IT. HE STATED FURTHER THAT IN PRESENT STAGE RVN DIPLOMATIC ACTIVITIES CONCENTRATED ON STRENGTHENING RELATIONS WITH ALLIES AND FRIENDLY COUNTRIES CAPABLE OF PROVIDING IT WITH STRENGTH FOR SELF-DEFENSE AND RECONSTRUCTION, WHILE MOVING PROGRESSIVELY TOWARD "THIRD WORLD" COUNTRIES WITH WHOM RVN WILL BE ASSOCIATED IN LONGER TERM. MINISTER FORESAW IN A FUTURE STAGE OF PEACE PARIS AGREEMENT WILL BE IMPLEMENTED AND RVN AND DRV WILL SIMULTANEOUSLY JOIN UN AS SEPARATE MEMBERS AND WILL NORMALIZE RELATIONS BETWEEN EACH OTHER IN ORDER TO MOVE STEP-BY-STEP TOWARD REUNIFICATION. HE NOTED RVN IS WILLING TO HAVE DIPLOMATIC RELATIONS WITH ALL COUNTRIES, REGARDLESS OF THEIR POLITICAL OR SOCIAL REGIMES, PROVIDED THEY RESPECT ITS INDEPENDENCE, SOVEREIGNTY AND TERRITORIAL INTEGRITY AND DO NOT INTERFERE IN ITS INTERNAL AFFAIRS. HOWEVER, HE WENT ON, POLICY OF HAVING RELATIONS WITH ALL COUNTRIES CANNOT BE IMPLEMENTED WITH COMMUNIST COUNTRIES AT PRESENT BECAUSE THEY ARE STILL ACTIVELY HELPING NVN IN ITS EFFORTS TO CONQUER SVN BY FORCE. FOREIGN MINISTER CONCLUDED WITH AN APPEAL TO COMMUNISTS TO SEE WHERE LIE TRUE INTERESTS OF VIETNAMESE PEOPLE AND NATION.

B. CAR FOREIGN MINISTER BEGINS VISIT.

FOREIGN MINISTER OF CENTRAL AFRICAN REPUBLIC, JOSEPH POTOLOT, ARRIVED SAIGON DEC 11 ON FOUR-DAY OFFICIAL VISIT.

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AMEMBASSY SEOUL

AMEMBASSY TOKYO

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USDEL JEC PARIS UNN

CIA

DIA

JCS

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WHITE HOUSE

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CINCPACAF

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CINCPAC FOR POLAD

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III. ECONOMIC

A. FRENCH AID AGREEMENT

THE GOVT SIGNED THIS WEEK PRELIMINARY AGREEMENT WITH THE FRENCH PROVIDING 130 MILLION FRANCS (ABOUT \$29 MILLION) IN AID TO VIETNAM. THIS COMPARES WITH THE FF 100 MILLION PROGRAM SIGNED IN NOV 73. ONCE AGAIN THE FRENCH AID WILL BE PART GRANT, PART COMMERCIAL LOAN AND PART REGULAR LOAN WITH ALL FUNDING SOURCES BEING MERGED TO CONSTITUTE WHAT IS IN EFFECT A LOAN ON CONCESSIONAL TERMS. OF THE 130 MILLION FRANCS, 70 MILLION IS FOR COMMERCIAL IMPORTS, 3 MILLION FOR FEASIBILITY STUDIES AND 57 MILLION FOR DEVELOPMENT PROJECTS.

B. FRENCH FINANCING FOR HA TIEN CEMENT EXPANSION

A CONTRACT WAS SIGNED DEC 4 BETWEEN THE HA TIEN CEMENT CO AND THE POLYSIUS CO OF FRANCE FOR AN EXPANSION OF HA TIEN'S CAPACITY FROM ABOUT 300,000 TONS PER YEAR TO ABOUT 1 MILLION TONS. (THIS IS IN EFFECT A REVEWAL OF THE AGREEMENT THAT WAS UNDER CONSIDERATION MORE THAN A YEAR AGO). THE TOTAL AMOUNT OF THE CONTRACT IS 197 MILLION FRANCS (ABOUT \$44 MILLION) INCLUDING A GUARANTEE FEE OF FF 11 MILLION. THE CONTRACT INCLUDES A LOAN FOR 85 PERCENT OF THE CONTRACT AMOUNT WITH INTEREST AT 6.6 PERCENT AND REPAYMENT OVER 15 YEARS. THE EXPANSION PROJECT IS EXPECTED TO BE COMPLETED IN THREE YEARS.

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C. ANNOUNCEMENT OF ECONOMIC MEASURES POSTPONED

DEP PRIMIN FOR ECON DEVELOPMENT, DR NGUYEN VAN HAO, CANCELLED A PLANNED TV SPEECH AND NEWS CONFERENCE SCHEDULED FOR EARLIER THIS WEEK. THE RECENTLY APPOINTED CHIEF ECONOMIC SPOKESMAN HAD BEEN EXPECTED TO ANNOUNCE A SERIES OF IMPORTANT ACTIONS, AS WELL AS TO OUTLINE HIS STRATEGY FOR DEALING WITH THE CURRENT ECONOMIC DECLINE. NO NEW DATE HAS BEEN SET FOR HIS PUBLIC APPEARANCE,

BUT HAO AND STAFF WERE REPORTED STILL REVISING THE PROGRAM AND SEEKING CABINET APPROVAL. MEANWHILE, THE GOVT DID GO AHEAD WITH A SMALL EXCHANGE RATE ADJUSTMENT ON TUESDAY (SEE PARA D BELOW).

D. MINOR EXCHANGE RATE ADJUSTMENT

EFFECTIVE DEC 10, THE GOVT RAISED THE OFFICIAL EXCHANGE RATE FROM VN\$670/US\$1 TO VN\$685/\$1. IT WAS THE TENTH ADJUSTMENT OF 1974, BUT THE FIRST IN OVER TWO MONTHS. THE CUMULATIVE DEVALUATION THIS YEAR HAS BEEN 25 PERCENT. THE CIP REBATE REMAINS AT VN\$60/\$1. THIS WEEK'S MOVE CAME IN THE MIDST OF PUBLIC SPECULATION ABOUT AN IMMINENT MAJOR DEVALUATION THAT HAD PUSHED BLACK MARKET DOLLAR RATES UP SHARPLY. HOWEVER, THE MINI DEVALUATION DID NOT APPEAR TO ALTER MARKET ANTICIPATION OF AN EVEN LARGER CHANGE IN THE OFFING (SEE PARA G BELOW).

E. DOMESTIC TAXES DOWN IN NOVEMBER

DIRECTORATE GENERAL OF TAXATION COLLECTIONS WERE VN\$18.3 BILLION IN NOVEMBER COMPARED TO VN 19.7 BILLION AND VN\$21.1 BILLION IN SEPTEMBER AND OCTOBER RESPECTIVELY. SPECIAL CONSUMPTION TAX RECEIPTS REACHED VN\$9.8 BILLION COMPARED TO VN\$9.0 BILLION IN EACH OF THE PREVIOUS THREE MONTHS. VAT COLLECTIONS REMAINED AT ABOUT THE SAME LEVEL, VN\$6.3 BILLION, AS IN RECENT MONTHS. DIRECT TAX RECEIPTS, ON THE OTHER HAND, FELL FROM VN\$5.0. BILLION IN OCTOBER TO VN\$1.4 BILLION IN NOVEMBER. THIS DECREASE IS EXPLAINED BY THE PATTERN OF CORPORATE INCOME TAX PAYMENTS WHEREBY QUARTERLY REMITTANCES ARE MADE EITHER AT THE END, OR ONE MONTH PAST THE END, OF EACH QUARTER. CUMULATIVE DGT RECEIPTS FOR THE YEAR NOW TOTAL VN\$230.6 BILLION COMPARED TO VN\$150.5 BILLION COLLECTED DURING THE SAME 1973 PERIOD, AN INCREASE OF 53 PERCENT. AFTER ADJUSTMENT FOR INFLATION, CUMULATIVE COLLECTIONS SHOW A DECREASE OF 3.2 PERCENT.

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F. RETAIL PRICE INDEX EDGING UPWARD

CONSUMER PRICES AS MEASURED BY USAID INDEX FOR SAIGON, EDGED UP FOR THE THIRD CONSECUTIVE WEEK AFTER THREE MONTHS OF STABILITY. THE INDEX INCREASED 0.6 PERCENT, AND AGAIN THE GAIN WAS CONFINED TO THE FOOD CATEGORY, WHICH BY ITSELF ROSE 1 PERCENT. MEDIUM QUALITY RICE WAS UP FOR THE SECOND WEEK, BUT FOR THE ENTIRE YEAR RICE PRICE INCREASE STILL LAG WELL BEHIND MOST OTHER COMMODITIES. BROWN SUGAR, WHICH HAS INCREASED 94 PERCENT THIS YEAR, WAS UP SLIGHTLY TO THE EQUIVALENT OF \$0.65 PER POUND. AMONG OTHER GAINERS THIS WEEK WERE SEAFOOD, COOKING OIL AND NUOC MAM. SINCE JAN 1, THE OVERALL INDEX HAS INCREASED 38.9 PERCENT.D

G. DOLLAR GAINS AS GOLD WEAKENS

THE BLACK MARKET WAS ONLY SLIGHTLY PHASED BY THIS WEEK'S EXCHANGE RATE DEVALUATION. WHILE TH GOVT RE-DEMONSTRATED ITS POLICY OF FREQUENT SMALL ADJUSTMENTS IN THE EXCHANGE RATE (SEE PARA D ABOVE), BLACK MARKET QUOTES REMAINED WELL ABOVE THE OFFICIAL RATE. BY DEC 9, US\$100 GREEN HAD CLIMBED TO VN\$795/\$1, COMPARED TO THE PREVIOUS WEEK'S VN\$752/\$1. FOLLOWING THE OFFICIAL DEVALUATION TO VN\$685/\$1, THE BLACK MARKET PRICE SLIPPED BACK TO VN\$780/\$1. SPECULATION PERSISTS THAT THE GOVT WILL SOON ANNOUNCE A MAJOR DEVALUATION.

GOLD PRICES WEAKENED IN SAIGON, FALLING FROM LAST WEEKS HIGH OF \$216.64 PER TROY OUNCE EQUIVALENT TO \$205.70 (CONVERTED AT OFFICIAL EXCHANGE RATES). DESPITE A SIMILAR TREND IN HONG KONG, SAIGON QUOTES REMAIN ALMOST \$30 ABOVE HONG KONG. THE CURRENT GOLD PREMIUM PROBABLY REFLECTS UNCERTAINTY ABOUT THE GOVTS FUTURE ECONOMIC POLICY.
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